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COUNTRY Hungary

SUBJECT Present Political

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SUPPLEMENT

RIGIN

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1. The unsatisfactory peace treaty is being accepted by the Hungarian public with resignation. No recriminations are expected because all parties except the new Freedom Party share the responsibility. The Freedom Party's status is so uncertain that it is in no position to take the Government or Foreign Minister János Gyöngyösi to task.
2. The Radical Bloc is now demanding the purge of Small Holders with a concomitant expulsion of from 40 to 50 clearly reactionary Parliament members, as well as the "reform" of the electoral system involving disenfranchisement of about fifty percent of the population, the immediate "municipalization" of flour mills, and new elections in the near future under the provisions of the reformed electoral law.
3. The Small Holders have countered with a flat refusal to restrict voting rights and with demands for an immediate county and municipal election, as well as equal representation in police and administrative forces.
4. The peasantry is the real bone of contention. The Small Holders's attempt to organize the peasants into a Grange system was blocked by the Russian ACC commander Sviridov who forced the close of an earlier Parliament session in order to kill the bill. The Small Holders are now trying to have the large and powerful peasant federation acknowledged as a Peasant Trade Union, but the Radical Bloc is backing the present Trade Union of Landless Agricultural Workers in order for them to expand and represent the peasantry. This latter union has a membership of 150,000 and is dominated by a Communist-controlled federation of trade unions.
5. Prime Minister Ferenc Nagy is determined to resist all Radical Bloc demands and to find a way of organizing the peasants under his Party's wing.

Comment: Most likely outcome of all this is a stalemate with the present situation continuing for another six months unless Pushkin exerts more pressure than heretofore.)
6. With a number of diplomatic posts to be filled, there is a bitter fight being waged between Russian and Western sympathizers. Gyöngyösi is outspoken in his opinion that Hungary's salvation lies in the most complete Western orientation possible under the circumstances. Nagy endorses this, but President Tildy favors complete submission to Soviet demands.

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7. General Kondratov has been sent to Budapest to apply pressure for forcing an Hungarian agreement to expand the Army immediately to full treaty strength. The Hungarians, pleading poverty, propose to limit their Army to 15,000. Men over 24 years of age are to be released in November and will be replaced by new recruits.
8. With the advent of long winter nights, public safety is deteriorating in Budapest and in the provinces. The stripping of clothing from pedestrians is once again a daily occurrence.
9. The unemployed now number about 300,000. Plant closures and "B-listing" are expected to increase this number to a half million by the end of the year.
10. Pro-Russian and anti-American Soviet propaganda is on the increase. The Soviet-Hungarian Cultural Association is preparing to publish textbooks as gifts for the Hungarian grade schools.

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